Bay State Gas Company/PNGTS

DTE 00-99

March 12, 2001

The Attorney General's Second Set of Data and Information Requests.

AG-2-1 Refer to the Company's filing, page 25 of 40. Please explain how the net benefits to existing ratepayers of between $0.54 and $2.62 were unique to the acquisition of PNGTS capacity. What other capacity additions were analyzed as part of the Company's preparation and presentation in D.P.U. 93-129? What were the results of these other analyses? Include all associated calculations, workpapers and assumptions.

AG-2-2 Refer to the Company's filing, page 25 of 40. Please describe how the average increase in gas costs of $0.27 per Dth was calculated. Is this solely related to having PNGTS as the marginal supply? If not, please explain what other costs contributed. If the alternatives to PNGTS used in the SAGE analysis had been used in the analyses contained in Appendix C of the Company's filing, what would the net benefits to existing ratepayers have been? Please explain in detail the response. Include all associated calculations, workpapers and assumptions.

AG-2-3 Refer to the Company's response to AG-1-6 and 1-7. Please explain the meaning of "Neg Rate Indicator".

AG-2-4 Refer to the Company's response to AG-1-7. Please provide the pricing terms, as requested.

AG-2-5 Refer to the Company's response to AG-1-7. Please indicate, for each contract, the annual delivery period (year round, November through March, etc.).

AG-2-6 Refer to the Company's response to AG-1-9. Please explain how the capacity release rates were determined for each "sale". For the releases representing capacity assignments to marketers on behalf of migrating customers, please provide all calculations, assumptions and workpapers supporting the $1.688 rate for December and January, and the $1.2940 rate for February. Include the explanation of why there were two different rates.

AG-2-7 Refer to the Company's response to AG-1-9. Please provide the rate the Company paid PNGTS corresponding to each of the releases.

AG-2-8 Refer to the Company's response to AG-1-9. Regarding margin sharing, please provide the authority under which the Company "shares" the PNGTS capacity release margins.

AG-2-9 Refer to the Company's response to AG-1-9. Please provide the details of how the Company accounts for the costs and revenues of capacity assigned to migrating customers. Include the details of how these costs and revenues are reflected in the CGA. Illustrate this response with capacity assigned one of the marketers.

AG-2-10 Please provide the capacity release history of the Company's experience on the predecessor pipeline, Portland, for the 24 months prior to the cancellation of the lease. The data should be provided in the same format as that provided in response to AG-1-9. Include all rate details requested in AG-2-6 and 2-7.

AG-2-11 Please provide the monthly volumes the Company transported on the Portland Pipeline during the 24 months prior to the lease cancellation. Include the identity of the seller of the gas, the price paid for each, the transportation and the gas delivered into the Portland Pipeline and the Portland Pipeline transportation charges to each delivery point. Indicate for each supply source whether it was a spot purchase or under a contract. For contract purchases, provide the pricing terms and term of the contract.

AG-2-12 Please provide the actual volumes transported on PNGTS for each month since the pipeline commenced service. Include the identity of the seller of the gas, the price paid for each, the transportation and the gas delivered into PNGTS and the PNGTS transportation charges to each delivery point. Indicate for each supply source whether it was a spot purchase or under a contract. For contract purchases, provide the pricing terms and term of the contract.

AG-2-13 Refer to the Company's response to AG-1-4. Several of the attachments indicate that the transactions were "swaps" or "displacements". Please explain how these transactions were structured and priced.

AG-2-14 Refer to the Company's response to AG-1-4a. The original contract with CoEnergy appears to be an "exchange agreement" with Northern Utilities. Please provide a narrative description of how this arrangement was developed, actually was put into effect and evolved to the current arrangement. In addition, provide all related agreements and amendments governing the sale or transfer of gas and related transportation services between Northern Utilities and Bay State; include all pricing terms.

AG-2-15 Refer to the Company's response to AG-1-12. The contract attached is a gas sales agreement between Direct Energy Marketing and Granite State Gas Transmission and appears to deal with the reassignment of gas. Please provide a narrative description of how this arrangement was developed, actually was put into effect and evolved to the current arrangement. In addition, provide all related agreements and amendments governing the sale or transfer of gas and related transportation services between Granite State and Bay State; include all pricing terms and provisions.

AG-2-16 Refer to the Company's response to AG-1-11. The Portland Pipeline lease agreement provided was between the pipeline and Granite State Gas Transmission. Please provide a narrative description of how this arrangement was developed, actually was put into effect and evolved to the final arrangement. In addition, provide all related agreements and amendments governing the sale or transfer of gas and related transportation services between Granite State and Bay State; include all pricing terms and provisions.

AG-2-17 Refer to the Company's response to AG-1-13. The Company provided a contract between Coral and Granite State. Footnote 2 on page 3 of 40 of the Company's filing refers to a Bay State Coral contract. Please provide this document and all amendments. If the only contract was the Granite State, please provide a copy of all agreements between Granite State and Bay State that governed the sale or transfer of Coral gas and related transportation services between Granite State and Bay State; include all pricing terms and provisions. Please describe how these arrangements work.

AG-2-18 Refer to the Company's response to AG-1-21. The attachment appears to provide estimated and actual costs for "All Facilities Owned by PNGTS" and "'North' Facilities Owned by PNGTS". What are the differences between these two categories? Which category is comparable to the PNGTS cost estimate of $257 million referred to in the Company's response to AG-1-16? What are the differences between the components of the $257 million estimate and the estimated and actual costs contained in the response to AG-1-21?

AG-2-19 Refer to the Company's response to AG-1-21. Are these costs the basis for the initial PNGTS rates? If yes, please identify which category of costs were the basis for the rates. Please provide the cost basis (cost of service details) for the initial PNGTS rates and the FERC order approving these rates.

AG-2-20 Have the tariffed rates changed since PNGTS commenced operation? If yes, please provide the cost basis for the new rates (cost of service details) the FERC order approving the new rates.

AG-2-21 Refer to the Company's response to AG-1-24. Please describe the different types of transactions listed in the attachment and how these types of transactions originate. Include a description of how the Company accounts for the costs and revenues associated with these transactions; how the costs and margins are determined and provide the regulatory authority under which the Company is sharing these margins.